



## SECTION 202/811 SUPPORTIVE HOUSING PROGRAMS FY 2010 PROGRAM FACT SHEET

### General Criteria

- **Capital Advance** – 40-year commitment to provide low-income housing, no repayment
- **Project Rental Assistance Contract (PRAC)** - operating subsidy for a 3-year term.  
Based on 75% of operating cost standards, assuming a 25% contribution from residents. Operating Costs mean the HUD-approved expenses related to the provision of housing and includes: administrative expenses, maintenance expenses, security expenses, utilities expenses, taxes and insurance, reserve for replacement. No increases for 1 year after operation.
- **Tenant Payment**: A very low-income person with a disability will pay 30 percent of the monthly-adjusted income, or 10 percent of monthly income, whichever is higher (Handbook 1-8D).
- **New Construction, Rehabilitation, Acquisition with or without Rehab.**  
Acquisition means purchase of existing structures to be used as housing for persons with disabilities. Capital advances are not available in connection with facilities owned and operated by the Sponsor. Assistance will also cover costs related to conversion, demolition, relocation and other necessary expenses determined reasonable.
- **Eligibility** – PRIVATE Non-Profit Organizations and Non-Profit Consumer Cooperatives evidencing exemption under 501(c)(3) or (4) (202) or Non-Profit Organizations evidencing exemption under 501(c)(3) (811) tax exemption from the Internal Revenue Service.
- **Single Asset Corporation** - "Owner" corporation to be formed
- **Minimum Capital Investment** - .05% of capital advance, not to exceed \$10,000 to assure the Owner's commitment to the housing. For a National Sponsor, .05% required, not to exceed \$25,000.
- **Developer's Fee** - No longer a housing consultant fee, but a developer's fee from which the Owner can pay the Sponsor for consulting services.
- **Other Criteria**
  1. You, or a co-Sponsor, must have experience in providing housing or services to the specific population.

2. Your application must contain acceptable evidence of site control (Deed or long-term leasehold, Contract of sale, Option to purchase, Evidence if acquired site from public body)
  3. Evidence that the site is free of any limitations, restriction or reverts which could adversely affect the use of the site for the proposed project for the 40-year capital advance period
  4. You are required to send a letter to the State/Tribal Historic Preservation Officer that attempts to initial consultation with their office and requests their review of your determinations and findings with respect to the historical significance of your proposed project.
  5. You must undertake and submit a Phase I ESA that will determine if the proposed site contains any contamination.
  6. If the Phase I ESA indicates the possible presence of contamination and/or hazards, you must submit a Phase II for the current site or choose another site.
  7. There must be a market need for the number of units proposed in the area of the project location.
  8. You are required to include a Supportive Services Plan
- **Project Design and Cost Standards**- Modest design. No dishwashers, individual unit balconies and decks, atriums, bowling alleys, swimming pools, saunas, Jacuzzi and dishwashers, trash compactors, and washers and dryers in individual units. Sponsors may include certain excess amenities but they must pay for them from sources other than the section 202 or 811 capital advance. They must also pay for the continuing operating costs associated with any excess amenities from sources other than the Section 202 or 811-project rental assistance contract. Each dwelling unit must include at least one battery-operated or hardwired smoke detector, in proper working condition, on each level of the unit.
  - **Energy Efficiency**- HUD strongly recommends that new construction and rehabilitation projects utilize energy saving construction methods, mechanical systems, and appliances. In particular, those meeting Energy Star standards should be considered. Therefore, please encourage such energy saving approaches into your plans and specifications.
  - **How to Apply?** - Applications must be submitted in response to the Notice of Funding Availability (NOFA) published in the Federal Register. The NOFA is published once each fiscal year between the months of March and May. Unless Headquarters grants a waiver, all applications are filed electronically through [www.grants.gov](http://www.grants.gov). New users will be required to complete a five-step registration process, which includes obtaining a DUNS number for your organization. It is recommended that all prospective applications carefully read the notice entitled “Notice of Opportunity to Register Early and other Important Information for Electronic Application Submission via Grants.gov”.

## SECTION 202- SUPPORTIVE HOUSING FOR THE ELDERLY

Purpose: This program provides funding for the development and operation of supportive housing for very low-income persons 62 years of age or older.

- **Mixed-Use/Mixed-Financed**- Capital advance funds may also be used in combination with other non-Section 202 funding to develop a mixed-finance project, including a mixed-finance project for additional units over and above the Section 202 units. A proposal to develop a mixed-use project or the development of a mixed-use project in which the Section 202 units are mortgaged separately from the other uses of the structure is not considered a mixed-finance project and is not allowed. However, you must obtain funds to assist the additional units with other than PRAC funds. HUD will not provide PRAC funds for non-Section 202 units.
- **202/Operating Cost Standards:**  
HUD shall establish operating cost standards based on the average annual operating cost of comparable housing for persons with disabilities in each Field Office and shall adjust the standard annually based on appropriate indices of an increase in housing costs. The FY 2010 operating cost standard for the Baltimore office is \$5,520 per person/ per unit and Washington D.C. is \$5,620 per person/ per unit.

Capital Advance = HCP x Development Cost Limits x units			
HIGH COST PERCENTAGE (HCP)		DEVELOPMENT COST LIMITS	
		Non-Elevator	Elevator
Baltimore	196%	Efficiency \$ 51,739	\$ 54,448
Washington DC	224%	One bedroom 59,655	52,415
		Two bedroom 71,944	75,897

- **202/Eligible Occupants** - Any household composed of one or more persons, one of who is 62 years of age or more at the time of initial occupancy
- **Site and Neighborhood Standards:** Site must be adequate in size, exposure and contour. Site and neighborhood must facilitate and further full compliance of Title VI of the Civil Rights Act. New construction sites must not be located in an area of minority concentration or racially mixed if the project will cause a significant increase in the proportion of minority to no minority.
- **Design Standards:**  
Limited to efficiencies or one-bedroom units, if resident manager is proposed up to two bedrooms can be provided for the resident manager unit. Limitation on unit sizes. The net rentable area of tenant units shall not exceed 415 sq. ft. for an efficiency unit or 540 sq. ft. for a one-bedroom unit. The manager's unit, if a two-bedroom unit, may not exceed

800 sq. ft. Only one bath will be permitted regardless of unit size. Community spaces. Community spaces may not exceed 10 percent of the gross square foot area. Community space excludes offices, halls, mechanical rooms, laundry rooms, parking, and lobbies.

- **Accessibility:** 5% and all common areas must be accessible. 2% for hearing/sight
- **Categories of Elderly:**
  - "Go Go" – independent
  - "Slo Go" -at risk, 1-2 ADL
  - "No Go" - frail, unable to perform at least 3 ADL
- **Activities of Daily Living (ADL)** eating, bathing, grooming, dressing, household management activities. Eating: may need assistance with cooking, preparing or serving food, but must be able to feed self; Bathing: may need assistance in getting in and out of the shower or tub, but must be able to wash self; Grooming: May need assistance in washing hair, but must be able to take care of personal appearance; Dressing: Must be able to dress self, but may need occasional assistance; Home Management: May need assistance in doing housework, grocery shopping, laundry, getting to and from doctor and shopping, but must be mobile.
- **Savings Incentive:** If development costs are less than the initial fund reservation can retain 50 percent of this savings in the Replacement Reserve Account and may be increased up to 75 percent if energy efficient features are incorporated.
- **Funding Restrictions-** Section 202 funds may not be used for any of the following:
  1. Nursing Homes
  2. Infirmarys/ Medical Facilities
  3. Mobile Homes
  4. Community Centers
  5. Headquarters for organizations for the elderly
  6. Residential units without kitchens and/or bathrooms
  7. Refinancing of sponsor-owned facilities without rehabilitation
  8. Housing that you currently own or lease that is occupied by elderly persons
  9. Projects licensed or to be licensed as assisted living facilities
- **Service Component**
  1. Meal service adequate to meet nutritional needs: NOTE: Section 202 projects selected for funding may not operate a mandatory meals program. Any meals program must be voluntary on the part of the residents. (See 24 CFR Part 278, Mandatory Meals Programs in
  2. Multifamily Rental or Cooperative Projects for the Elderly or Disabled).
  3. Housekeeping aid
  4. Personal assistance
  5. Transportation services

6. Health-related services: NOTE: Health care must be based in the community, not in the project. A small multipurpose room may be provided in a project for the elderly for emergency

- **Who Pays for the Services-** Indirect costs associated with providing supportive services shall be an eligible cost under the Project Rental Assistance Contract. Likewise, any costs associated with employing a service coordinator in housing principally serving frail elderly persons also are eligible, unless the project is receiving congregate housing services assistance under Section 802 of the National Affordable Housing Act. The HUD-approved expenses for operating a project may include 15 percent (up to \$15 per unit/per mo.) of the service costs for the frail elderly and those determined to be "at risk" of being institutionalized. The balance of service costs (85 percent for the frail and "at risk" elderly and all costs for other elderly) shall be provided from other sources, which may include co-payment by the tenant receiving the service. Such co-payment shall not be included in the Total Tenant Payment. Even though a tenant may not be eligible to receive assistance under the HUD portion of the payment, it does not preclude a tenant or the service coordinator from arranging for service(s) which are paid for by the tenant or from other sources.
- **Service Coordinator-** PRAC funds may also be used to cover the cost of employing a service coordinator if at least 25 percent of the project's residents are frail or at-risk of being institutionalized. A service coordinator is a social service staff person who is part of the project's management team. The service coordinator is responsible for assuring that the project's elderly residents, especially those who are frail or "at risk," are linked to the supportive services available from community agencies to enable them to continue living in the project.

## SECTION 811- SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES

Purpose: This program provides funding for the development and operation of supportive housing for very low-income persons with disabilities who are at least 18 years old. If you receive funding through this program, you must assure that supportive services are identified and available.

- **Mixed-Use/Mixed-Financed**- Capital advance funds may also be used in combination with other non-Section 811 funding to develop a mixed-finance project, including a mixed-finance project for additional units over and above the Section 811 units. A proposal to develop a mixed-use project or the development of a mixed-use project in which the Section 811 units are mortgaged separately from the other uses of the structure is not considered a mixed-finance project and is not allowed. HUD will consider proposals if you have legal control of an approvable site and the additional units do not cause the project to exceed the project size limits if the additional units will also house persons with disabilities. (unless your project will be an independent living project and you request and receive HUD approval to exceed the project size limits) However, you must obtain funds to assist the additional units with other than PRAC funds. HUD will not provide PRAC funds for non-Section 811 units.
- **811/Operating Cost Standards:**  
HUD shall establish operating cost standards based on the average annual operating cost of comparable housing for persons with disabilities in each Field Office and shall adjust the standard annually based on appropriate indices of an increase in housing costs. The 2008 operating cost standard for the Baltimore office is \$5,520 per person/ per unit and for Washington D.C. is \$5,620 per person/per unit. Annual PRAC is determined for Group Homes as number of residential spaces and for ILF, the number of revenue-producing units.

### CAPITAL ADVANCE= HCP x DEVELOPMENT COST LIMITS

HIGH COST PERCENTAGE	DEVELOPMENT COST LIMITS		
	<b><u>INDEPENDENT LIVING FACILITIES</u></b>		
		<b>Non-Elevator</b>	<b>Elevator</b>
<b>Baltimore 196%</b>	Efficiency	\$ 51,739	\$ 54,447
<b>Washington DC 179%</b>	One bedroom	59,655	62, 414
	Two bedroom	71,944	75,896
	Three bedroom	92,091	98,184
	Four bedroom	102,593	107,777
	<b><u>GROUP HOMES</u></b>	<b>Disability Group</b>	

		<b>Physical/DD</b>	<b>CMI</b>
<b>Baltimore 205%</b>	2 residents	\$ 206,358	\$ 199,198
<b>Washington DC 234%</b>	3 residents	221,908	214,211
	4 residents	237,461	227,547
	5 residents	253,011	240,883
	6 residents	268,546	254,218

- **Project Size Limits**

ILF: 5 minimum 14 maximum units GH: 2 minimum 6 maximum persons do not have to be all in one structure; can mix ILF and GH

- **Disabled Household** - Household composed of one or more persons at least one of whom is an adult (18 years or older) who has a disability; two or more persons with disabilities living together, or one or more such persons living with another persons who is determined by HUD, based on certification from an appropriate professional. Such persons must have a **developmental disability** which is attributable to mental or physical impairment; is manifested before the person attains age 22; is likely to continue indefinitely; results in substantial functional limitation in three or more of the following areas of major life activity: self care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living; economic self sufficiency. Can also be a person with a **chronic mental illness**, having severe and persistent mental or emotional impairment that limits their ability to live independently.

A person **infected with the human acquired immunodeficiency virus (HIV)** and a person who suffers from alcoholism or drug addiction, provided they meet the above definition of a person with disabilities. A person whose sole impairment is a diagnosis of HIV positive or alcoholism or drug addiction will not be eligible for occupancy in an 811 project.

- **Disability Categories**

Physical disability

Developmental Disability

Chronic Mental Illness

Sponsor who limits occupancy to subcategory of disabled must be approved by HUD and justification provided in Service Plan.

- **Project Eligibility and Size Limitations**

Application can be submitted for both group home and ILF, dwelling units in multifamily housing developments, condominium housing and cooperative housing.

Group Home - single family residential structure

A minimum of 2 persons with disabilities can reside in a group home; maximum is six – no exceptions. Only one person per bedroom is allowed unless two agree to share one bedroom or needs another to share.

If the project will consist of more than one group home, no more than one group home may be located on any one site and no such home may be located on a site contiguous to another site containing such a home (statutory)

Must provide minimum of 290sq feet of space for each resident, including, minimum of 80 sq ft for each in a shared bedroom and a minimum of 100 sq ft for a single occupant bedroom and at least one full bath for every 4 residents

Independent Living Facility - separate units where each unit has a kitchen and bath. May contain congregate dining, community space, laundry, office and storage.

Minimum number of units is five; maximum is 14 plus one additional one- or two-bedroom unit for a resident manager if necessary. May request exception for maximum units (site control applications only).

- **Integrated Housing Model** - Condominium units scattered within one or more buildings or non contiguous independent living units on scattered sites
- **Accessibility**: All entrances, common areas, units to be occupied by resident staff must be accessible and usable by persons with disability. In CMI projects, a minimum of 10 percent in an ILF or 10% of all bedrooms, bathrooms in a group home) must be designed to be accessible. For projects for developmentally disabled or physically disabled, all dwelling units in an ILF (or all bedrooms and bathrooms in a group home) must be designed to be accessible or adaptable for persons with physical disabilities. A project involving acquisition and/or rehab may provide a lesser number if the cost makes the project infeasible, if less than 1/2 of the residents have mobility impairments.
- **Davis-Bacon Wages Labor Standards**: Wages must be paid in construction of housing for 12 or more units. A group home is not covered by labor standards because a group home is considered one unit. ILFs with more than 12 units are subject to the prevailing wage requirements.
- **Supportive Services**: Necessary supportive serves should be provided off-site to the greatest extent possible to ensure a normal, non-institutional environment for the residents. On-site services may include the following:

Case management  
Training in living skills  
Personal assistance  
Housekeeping assistance  
Meals and Nutrition

Counseling/Advocacy  
Supervision  
Recreation  
Transportation

- **Funding Restrictions**- Section 811 capital advance funds may not be used for any of the



following:

- 1.** Supportive services
- 2.** Housing that you currently own or lease that has been occupied by people with disabilities for longer than 1 year prior to application deadline date
- 3.** Nursing homes, infirmaries, and medical facilities
- 4.** Transitional housing
- 5.** Mobile homes
- 6.** Intermediate care facilities
- 7.** Assisted living facilities
- 8.** Community centers with or without special component for use by tenants
- 9.** Sheltered workshops and centers for persons with disabilities
- 10.** Headquarters for organizations for persons with disabilities
- 11.** Refinancing of sponsor-owned facilities with rehabilitation